

Cefic comments on ERGEG's consultation on a draft strategy for delivering a more integrated European energy market: The role of the Regional Initiatives

Need of a Strategic Vision:

- A strategic vision (both for electricity and gas – interdependent and related issues, but with technical differences) should absolutely be pursued.
- This vision should pay particular attention to the competitive position of EU industrial consumers.
- Increased involvement of industrial customers and consideration of their requirements and needs should be taken into account in the development of this integrated vision. This will lead to a really competitive European market instead of the actual patchwork of national uncompetitive markets.
- CEFIC asks for correct price formation mechanisms (with critical focus on day ahead market and “forward” one) and for “merging” of national markets into bigger zone without any internal border - especially prevention of congestions. These 2 elements are critical to encourage real competition between several energy producers instead of local dominance and lack of competitive offers. The aim is clearly one EU single TSO and one EU single regulator with strong competences. The role of ACER is here critical.

Member State Involvement:

Member States should be integrated in the process because their roles are critical at several levels: participation in the design of EU policies and legal framework, correct and coordinated implementation of EU legislation, increased integration of markets and coordinated approaches to international issues such as cross-borders flows, joint investments and efficiency of the energy production facilities.

It should also be noted that fuel mix strategies (nuclear, hydro, coal, renewables etc.) will strongly influence the efficiency of the (integrated) markets and the (direct and indirect) contribution of the industry – thereby its competitive position. More harmonization at EU level is therefore critical. This should be taken into the decision procedure.